

Department of the Army Small Business Program



"Our Army at War - Relevant & Ready"

DoD Mentor-Protégé Program
USACE/SAME Small Business Conference
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Mr. Paul Gardner
Deputy Director
Army Small Business Office



Mentor Protégé Program *Agenda*



- ❑ Overview of Program
- ❑ Participants
- ❑ Program Benefits
- ❑ How to Participate
- ❑ Army Requirements
- ❑ Evaluation and Award Procedures
- ❑ Lessons Learned



Mentor Protégé Program *Background*



- ❑ Established in 1991 - P.L. 101-510
- ❑ Provides incentives to prime contractors to develop the technical and business capabilities of eligible protégés to increase their participation in both prime contracts and subcontracts



Mentor Protégé Program *Background (Cont'd)*



- ❑ Prime contractors may be reimbursed labor costs, or allowed to credit costs toward subcontracting goals
- ❑ The National Defense Authorization Act for FY 2005 extended the MPP until 30 Sep 2010 for approval of new agreements, and until 30 Sep 2013 for incurred costs



Mentor Protégé Program

Who is Eligible?



Mentors

- ❑ Have at least one active approved subcontracting plan negotiated with DoD or another Federal Agency
- ❑ Be eligible for award of Federal contracts
- ❑ For Army - 8(a) Graduate Mentor-Protégé Pilot Program
- ❑ Committed to small business & protégé



Mentor Protégé Program

Who is Eligible?



Protégés

- ❑ Certified Small Disadvantaged Business
- ❑ Qualified organizations employing the severely disabled
- ❑ Women-Owned Small Business
- ❑ Qualified HUBzone Small Business
- ❑ Service-Disabled Veteran-Owned Small Business
- ❑ Be eligible for award of Federal contracts



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Developmental Assistance Costs



- ❑ The Mentor's labor costs
- ❑ Subcontracts:
 - Small Business Development Centers (SBDC)
 - Procurement Technical Assistance Centers (PTAC)
 - Historically Black Colleges and Universities (HBCU)
 - Minority Institutions of Higher Education (MI)
- ❑ Incidental Costs



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Mentor Benefits



- ❑ Long-term relationship with business partner
- ❑ Qualified source at competitive prices
- ❑ Ability to award subcontracts directly
- ❑ Help achieve subcontracting goals
- ❑ Source of qualified employees from HBCU/MI



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Protégé Benefits



- ❑ Technology Transfer
- ❑ Technical Management Skills
- ❑ Long-term Relationship
- ❑ Enhanced Competitiveness
- ❑ Subcontracting Opportunities
- ❑ Source of Qualified Employees from HBCU/MI



Department of Defense Mentor-Protégé Programs



- **Army**

- Application Process using specific evaluation criteria
- **Graduated 8(a) Firms can be Mentors**
- Agreements through **modifications** to existing contracts
- New contracts can be approved with compelling justification
- Non-Manufacturing Agreements <\$500,000, Manufacturing may be higher but cannot exceed \$1 Million a year

- **Air Force**

- Competitive process through **Broad Agency Announcement**
- Only **separate contracts**, no contract modifications
- Only consider technology with a specific NAICS Code
- Negotiate ceilings ≈ \$500,000 Manufacturing, \$350,000 Non-Manufacturing

- **Navy**

- Application Process using specific evaluation criteria
- Agreements by contract modifications, no new separate contracts
- Non-Manufacturing Agreements **limit \$750,000, Manufacturing \$2.25 Million**

- **DISA**

- Application process
- Focus on information technology and telecommunication Industries
- **Minimum standards for protégés:** 45 Employees, 8 years in business, \$3 Million per year in revenues



Mentor Protégé Program

Program Status



- ❑ Army Mentor-Protégé Program is alive & well!
- ❑ 41 Active Agreements
 - ❑ 31 Mentors
 - ❑ 41 Protégés
- ❑ 7 Mentors are Graduated 8(a) Firms
- ❑ FY04
 - ❑ Round 1 – 5 agreements
 - ❑ Round 2 – 7 agreements
 - ❑ Round 3 – 7 agreements
- ❑ Exciting and informative web site
- ❑ Establishing electronic reporting



Mentor Protégé Program

How to Apply



- ❑ DoD delegated approval authority to Services beginning FY 2004
- ❑ Policy, Guidance & Instructions on Army SADBUs web site: www.sellingtoarmy.info
- ❑ Three rounds of proposals for FY 2005
Proposal due dates: 15 Dec, 15 Apr, 15 Aug
- ❑ Agreements 1-3 years
- ❑ \$500,000 per agreement, except manufacturing may be funded higher with justification



Mentor Protégé Program Agreement Requirements



- ❑ Army goal is to engage industries to shape and expand the industrial base to support the warfighter
- ❑ Army wants agreements with **strong technical component**, or focus on innovative transfer of state-of-the art technology
- ❑ Comprehensive Needs Assessment
- ❑ Developmental Assistance Plan with the “what”, “how”, “when”, “where” and “who”
- ❑ Milestone chart and cost breakout
- ❑ Sponsoring activity endorsement letter



Mentor Protégé Program

What is Technology?



Technology is

- ❑ Transfer of state-of-the art products/service improvement processes that support the warfighter

Technology is not

- ❑ Business Infrastructure
i.e., Accounting Systems, Human Resources, Program Management, etc.
- ❑ Business Development
- ❑ Marketing



Mentor Protégé Program Evaluation Process



Evaluation Criteria

Desired Outcome

Subcontracting Opportunities	Increase Growth (Revenue, Employees, Customers)
Technical Approach	Enhance SDB Capabilities
HBCU/MI Involvement	Involve Schools, Faculty, Students
Relevance to Army and DoD Programs	Shape and Expand Industrial Base to Support Army's Mission
Corporate Commitment	Facilitate the Formation of Long-term Alliances
Management Plan	Metrics and Methodologies to Ensure Success



Mentor Protégé Program

Approval Process



- ❑ Selection Board
 - Evaluate and rank proposals
 - Recommend highest rated for approval
- ❑ Army Director SADBUI approves
- ❑ Funding provided
- ❑ Contract modified to incorporate MP agreement
- ❑ Progress monitored



Lessons Learned Impediments to Success



- Subcontracting expectations unrealized
- Poor communication between Mentor and Protégé
- Remote geographic location
- Conflicting goals, lack of program integration and weak commitment
- Inordinate expense to Protégé
- There are unreimbursed costs for both the mentor and the protégé



Lessons Learned Agreement Successes



- Compatibility of Mentor and Protégé
- Periodic reviews/modifications of agreement, as needed
- Assistance aligned with Protégé's strategic vision
- Commitment by both parties to the agreement
- A smaller mentor may respond easier to Protégé's needs



Mentor Protégé Program Additional Information



Army SADBUs Web Page:
www.sellingtoarmy.info

- ☐ Policies & Guidance
- ☐ MPP Locator
- ☐ MP Success Story





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Q&A